

DOCUMENT NO. 5158
ADOPTED 4/6/89



Union Neighborhood Assistance Corporation

Executive Director
Bruce Marks
Membership Services
Cyndi Koebert

62 Berkeley Street
Boston, Massachusetts 02116
617-423-3463

DESCRIPTION OF THE UNION NEIGHBORHOOD ASSISTANCE CORPORATION'S
COMPREHENSIVE HOUSING PROGRAM.

EXECUTIVE SUMMARY

On December 1, Local 26 of the Hotel and Restaurant Workers Union became the first union in the country ever to win an employer-contributed housing benefit. This collectively bargained Housing Trust Fund is one part of the Union Neighborhood Assistance Corporation (UNAC), a unique effort which links jobs with housing, provides affordable housing for low-wage workers, builds a coalition between union members and community based organizations, and brings millions of employer and union dollars into low and moderate income housing.

This is a proposal for funds to start-up the Union Neighborhood Assistance Corporation. As the first effort of its kind, UNAC will serve as a national model for addressing the housing crisis facing low and moderate income workers across the country. It is legally and organizationally separate from Local 26 and is open to all community residents. Its membership reflects the active participation of both Local 26 members and other low and moderate income families.

Who is Local 26?

UNAC is the outgrowth of Local 26's efforts to improve the housing of union members. Local 26, representing 5,000 hotel and restaurant workers, has the largest union membership living in Boston. The membership reflects Boston's diversity: 55% of the union's members are women and 60% are people of color.

The hotel industry is the most rapidly growing industry in Boston, yet hotel workers, like other low-wage workers in the burgeoning service-sector, are finding it increasingly difficult to afford housing. In a recent survey of the membership, Local 26 found that 75% of respondents have housing problems, such as overcrowding, deteriorated conditions, exorbitant rent, and/or imminent displacement. While the majority of hotel workers' families have multiple earners, 98% of our members cannot afford to purchase a median priced home and 78% cannot afford to rent a median priced apartment.

Development of Affordable Housing

Hotel workers and other low and moderate income families need two kinds of housing assistance--more units of affordable housing and financial and technical assistance to help them gain access to existing housing. Therefore, UNAC will work on both the supply and demand sides of the problem through its two components: a Housing Development program and a Housing Assistance, Counseling, Credit, and Education Service (ACCESS).

The Housing Development program will use International Union pension funds, Local 26 pension funds, public resources, and private financing to create new units of affordable housing for union members and other community residents. These units will be developed in concert with community-based organizations. The form of ownership will be mixed, including public (rental) housing; cooperative units; and home ownership. Financing

commitments already secured include:

- * \$11 million from the International Union pension fund
- * \$6 million from Consumers United Insurance Company (CUIC)
- * \$2 million from Local 26's pension and Health & Welfare funds.

Housing ACCESS

UNAC Housing ACCESS will provide a wide range of counseling, referral, educational, and financial services to help members and others meet their housing needs. The vast majority of UNAC members are eligible for some form of subsidized housing, but have been unable to gain access to existing subsidies. The ACCESS program will provide extensive technical assistance and advice on such issues as: financing options for various forms of housing ownership; establishing a responsible relationship with financial institution(s); identifying types of housing subsidies and the appropriate application process; working with families on each step of a housing application process; assisting families in their dealings with lawyers, banks and government agencies; providing advice and referral to legal services in the case of evictions and/or conversions; and assisting in other landlord-tenant disputes.

The employer-contributed Housing Trust Fund will provide direct financial assistance in the form of downpayment assistance, interest rate buydowns, cooperative share loans, upfront deposit for a rental apartment, and emergency rental

assistance. The hotel owners have already committed to a contribution of 5 cents per hour per worker-- \$1 million over three years. In order for the Housing Trust to become active, however, section 302(c) of the Labor Management Relations Act must be clarified to encompass housing as an eligible benefit to be administered by joint labor-management trust. In recent years, the Act has been amended to allow for such items as legal services and childcare.

The Federal government is promoting public-private partnerships as the vehicle to address the critical shortage of affordable housing in the country. The success of the housing trust fund won by Local 26 will serve as a national precedent for the viability of these partnerships. This trust fund will for the first time bring vital and powerful partners--unions and businesses--together to address the housing affordability crisis affecting working families.

Budget

While considerable funds have been committed by the union and employers, none of these funds can be used for administrative purposes. Local 26, which is organizationally separate from UNAC, must use its resources to service the membership as required by law. Therefore, UNAC is seeking public and private support of \$200,000 a year for the first two years. After two years, one third of the budget will be from internally generated sources including: interest on trust monies, marketing fees and development fees. UNAC will be wholly self-sufficient in four years.

TABLE OF CONTENTS

1) Introduction	Page: 1-3
2) Union Neighborhood Assistance Corporation	Page: 4-5
3) UNAC - Development	Page: 5-6
4) UNAC- ACCESS	Page: 7-10
A) Education	Page: 7
B) Counseling	Page: 8
C) Referral	Page: 8-9
D) Financial Assistance	Page: 9-10
5) Budget	Page: 11
6) Evaluation	Page: 11
7) Program Benefits	Page: 11-12
8) A National Model	Page: 12-13
9) Accomplishments	Page: 14-15
10) Job Descriptions:	Page: 16-19
Director	Page: 16
Member Services Coordinator	Page: 17
Development Specialist	Page: 18
Financial Specialist	Page: 19

INTRODUCTION

The hotel industry is the most rapidly growing industry in Boston. In the last ten years, the industry more than doubled its size, creating over 5,000 new jobs. Studies show that Boston can support at least five additional major hotels. In the decade to come, the service sector as a whole is projected to create another 69,000 jobs. At the same time, however, Boston is projected to lose over 30,000 rental apartments, making housing increasingly difficult to afford. The city's workers are caught between a labor market that promises opportunity and a housing market which makes that opportunity impossible to realize.

Although many public programs and private organizations exist to address the problem of housing, these resources have been insufficient. Until recently, business and labor have not been deeply involved in the issue: they have neither bargained for housing benefits nor advocated the allocation of public resources to address the problem.

The active and meaningful participation of unions and businesses is one of the most important steps in building a broader coalition to meet the growing housing needs of low and moderate income families. The time has never been better to capitalize on the resources of employers and unions in this area of mutual concern.

With over 5,000 members, Local 26 has the largest union membership living in Boston. There are 87 different languages

and dialects spoken within the union. Its membership is reflective of Boston's diverse ethnic and racial communities. Fifty-five percent of the union's members are women. Sixty percent are people of color. Historically, the labor for the hotel industry has been comprised of the newly arrived immigrants, who mistrust government, banks, and their employers, but do trust their union -Local 26. Local 26 has been able to organize this large and diverse constituency, which few community-based organizations have been successful in reaching and involving in a meaningful way.

The housing crisis is affecting service workers in a variety of different ways. In a survey conducted by Local 26 this year, affordable housing ranked first on a list of priorities for union action. Based on their income and family size, more than 75% of the members surveyed were eligible for housing subsidies, but only 10% had any subsidy at all. Ninety percent were renters, and 75% had some kind of problem with their current housing situation, including overcrowding, bad physical conditions, high rent, and imminent displacement.

The median family income of unionized hotel workers is \$22,000, which is about two thirds of the annual income necessary to afford an average rental apartment in Boston, and less than one third of the income needed to purchase a market-priced single-family home in the Boston area. Thirty percent of survey respondents had an income that was sufficient to pay for a typical subsidized home, but lacked familiarity with the

subsidized home ownership system and the real estate market in general.

Local 26 has been instrumental in setting a standard for union involvement in the area of housing, just as it has been successful in setting a standard for other benefits. Local 26 was one of the first unions to obtain legal benefits for its members--other unions followed. Local 26 was one of the first to win dental services for its members--other unions followed. On December 1, 1988 Local 26 was the first union in the country to negotiate for a housing trust fund.

The employer contributed housing trust fund has gained national attention. The need for federal action to clarify its legality has provided the opportunity to put the issue of employer assisted housing on the national agenda as part of a comprehensive housing program. The immediate positive response from Senators, Congresspersons, Chambers of Commerce, the media, and other unions reinforces the importance of this housing initiative.

UNION NEIGHBORHOOD ASSISTANCE CORPORATION

UNAC is the outgrowth of Local 26's efforts to improve the housing of union members. As the program has developed, Union members have pushed the Union to make it available to other low and moderate income families. Local 26 members are in constant contact with non-union people in their community and in their other jobs who are in similar economic situations. They can be the lifeline to affordable housing opportunities for families who are out of the governmental and financial system, and not reached by community organizations. Thus UNAC is not only legally and organizationally separate from Local 26, but non-union members are actively encouraged to participate.

UNAC will combine union, employer and public resources to assist low and moderate income families to secure better housing. As the first effort of its kind, UNAC will set a national example.

Hotel workers and other low income families need two kinds of housing assistance--more units of affordable housing and financial and technical assistance to help them gain access to existing housing. Therefore, the UNAC will have two components: a Housing Development program and a Housing Assistance, Counseling, and Credit Service (ACCESS).

The Housing Development Program will use International Union pension funds, Local pension funds, public resources, and private financing to create new units of affordable housing for

UNAC members and other community residents.

Local 26 Housing ACCESS will provide a wide range of counseling, referral, and financial services to help members and others meet their housing needs. Housing ACCESS will assist families in qualifying for UNAC-developed housing as well as other affordable units.

UNAC - Development

UNAC will create new housing opportunities through actively participating in major housing development projects. UNAC, in concert with Local 26, can bring unprecedented financial resources and political and community support to the development of affordable housing. UNAC will either work in a joint venture with a community-based organization or as a primary sponsor of a development. UNAC's specific role will depend on the capacity of development organizations and their commitment to affordable housing in the areas where major development is possible. Described below is a prototypical proposal for the development of 100 units of housing, all affordable to low and moderate income families. (The detailed proposal is available upon request).

The current development of "affordable housing" is not within the reach of most low and moderate income working families; therefore, UNAC's prototype project includes a mix of public housing rental units, cooperatives, and condominium units.

With this unique mix of unit types, family incomes would range from a low of \$8,000 to a high of \$34,000. The range allows

families the option of renting or purchasing, depending on their needs and resources. Large 2-, 3- and 4-bedroom units, designed for families of two to eight individuals, are planned. Full-sized kitchens with dining rooms, comfortable living rooms and yards will be developed, with 1,100 to 1,500 square feet per unit.

UNAC has already secured considerable financing commitments from the Hotel Workers International Union; from Consumers United Insurance Company (CUIC), the administrator of one of Local 26's pension funds; and Local 26's pension and health and welfare funds. These commitments include:

- * A \$5,600,000 construction loan. The rate will be calculated to be consistent with the portfolio of the International and with Employee Retirement and Income Security Act (ERISA) guidelines.
- * A letter of credit to secure a \$2,000,000 City of Boston construction loan at an effective interest rate of four percent (three percent interest to Boston, plus one percent for the letter of credit).
- * A \$3,000,000 construction loan from CUIC at one-half the prime interest rate.
- * An additional \$7 million in flexible, long-term financing. The International has committed \$3.5 million at rates consistent with ERISA; CUIC will match this commitment at the prime rate.

UNAC - ACCESS

The objective of Housing ACCESS is to help members find affordable housing. Since the membership is so varied, this will entail a wide array of services. In some cases, help may be as simple as a referral to a particular development, in others it may require a number of diverse but linked services, such as education on housing-related issues, counseling, help with banks and government entities, and financial assistance.

UNAC Housing ACCESS will develop in two phases: in the first phase, it will provide counseling, education, and referral services. In the second phase, UNAC's Housing ACCESS program will also provide financial assistance through the employer contributed housing trust fund.

Education:

In its first year, Housing ACCESS will offer workshops and mini-classes on a variety of housing-related issues, such as:

- * Home financing-- mortgages, downpayments, closing costs.
- * Forms of housing ownership or tenure--rentals, cooperatives, condominiums, single-family homes.
- * Types of housing subsidies available and how to apply for them.
- * Credit--how to approach a bank; the elements of a good credit record.
- * Finding affordable housing-- how to go about tracking

down a subsidized unit, inside or outside the city.

The Housing ACCESS membership services coordinator will teach some of these workshops him or herself, and will arrange to have others conducted by banks, community developers, and public agency staff. The coordinator will also train four bilingual union members to become paid part-time housing counselors.

Counseling:

After attending basic workshops, individuals can meet with the housing counselors on particular issues, such as:

- Establishing a relationship with a bank.
- Going through various housing application procedures.
- Straightening out a bad credit history.
- Deciding where and what kind of housing to look for.
- Finding emergency housing assistance.
- Advice and referral to legal services in the case of evictions, conversions, or other landlord-tenant disputes.

All Local 26 members have access to free comprehensive legal services, and other UNAC members receive these legal services at substantially reduced fees.

Referral:

Housing ACCESS will also act as a clearinghouse and referral center for new and existing subsidized housing opportunities.

Private developers and community development corporations are bringing new subsidized housing units to the market every month. Housing ACCESS will ensure that families are aware of and are qualified to apply for these units. In the case of large developments, Housing ACCESS will invite developers to make presentations to the membership. If developers are interested, Housing ACCESS will work with developers to pre-sell units thereby lowering development costs (usually 5% to 6%).

Thus UNAC through its large and diverse membership base is in a unique position to work with private developers, community organizations and government agencies to contact and work with interested eligible families.

As part of its clearinghouse function, Housing ACCESS will expand the current housing database which includes information on current housing conditions and financial resources including: rent, family income, savings available for downpayment, family size, ownership status, geographical preferences, etc. Currently, the database includes the above housing information for over 500 families.

Financial Assistance:

During the second phase of the program, we anticipate that the recently negotiated Housing Trust Fund will become active. Thus the ACCESS program will take on a financial assistance function as well. In order for the housing trust to become active, Federal Public Law must be amended to include housing as a legal

benefit to be administered by a labor-management trust. In recent years, the law has been amended to include such benefits as legal services and childcare.

Many of those who use UNAC's counseling and referral services may successfully negotiate the housing search and application process, but ultimately be unable to afford a home due to high up-front costs. Most rental housing in Boston requires an immediate expenditure of first and last month's rent plus a security deposit, which can add up to \$3,000. For subsidized home purchases, the downpayment and closing costs can range from \$8,000 to \$12,000. Buying into cooperative housing requires a share loan, often between \$5,000 and \$7,000.

The Housing Trust Fund, capitalized by employer contributions, will serve as a loan and grant pool to help members defray these up-front housing costs. The financial services that this fund can offer include the following:

- * Help with first and last month's rent and security deposits.
- * Emergency rental assistance.
- * Cooperative share loans.
- * Downpayment assistance.
- * Closing Costs
- * Loan Collateral

Budget

While considerable funds have been committed by the union and employers, none of these funds can be used for administrative purposes. Local 26, which is organizationally separate from UNAC, must use its resources to service the membership as required by law. Therefore, UNAC is seeking public and private support of \$200,000 a year for the first two years. After two years, one third of the budget will be internally generated including: interest on trust monies, marketing fees and development fees. UNAC will be wholly self-sufficient in four years.

Evaluation

UNAC will contract with an independent evaluator at the end of the year to measure its success through a combination of qualitative and quantitative measures, including the number of members who obtain improved housing because of the program; the volume of applications to the housing fund; the number of units developed; the timetable for becoming self-sustaining; the degree of participation; and the strength of coalitions developed with community-based organizations.

Program Benefits

UNAC has the ability to meet the mutual interest of the following groups:

- * Hotels -- A housing program will improve retention and assist in the recruitment of employees.
- * Union -- by more effectively meeting the needs of its membership, UNAC will raise the standard of living of Boston's families.
- * Other unions, community development corporations, religious organizations, and foundations -- will gain a model for other similar efforts.
- * Neighborhood residents where housing is to be developed -- will benefit directly and indirectly by the creation of truly affordable housing, the creation of jobs, and revitalization of the neighborhood.
- * City and State -- by successfully focusing their assistance on families employed in the growing service sector, and effectively targeting their housing programs for low and moderate income families.
- * Families who occupy the new units -- will benefit from a decent home within their means.
- * Other Families - will benefit from the counseling, education, referral and financial assistance of the ACCESS program.

A National Model

UNAC will be an important national demonstration project in many ways. First, the program is a comprehensive and preventative one. By combining development, counseling, and

direct financial assistance, UNAC can help families and at the same time contribute to the community's housing stock. Its counseling and education components will help people to work towards improving their housing situation before they find themselves in a crisis situation.

Second, UNAC represents a new level of labor involvement in the problem of affordable housing. Until now, union involvement in has been limited to pension fund investment in development, primarily by the building trades unions. The goal of these projects has been job creation. UNAC's efforts will be the first instance of a low-wage, ethnically diverse service sector union becoming involved in housing.

Thus, UNAC's success will have a number of important repercussions. This is an important model for lower-wage urban unions, whose members are facing a housing crisis. In addition, the combination of employer-contributed funds and invested pension funds constitutes significant new financial resources in an era of declining federal commitment. Finally, the success of UNAC and programs like it has the potential to rejuvenate the affordable housing movement by fostering important new coalitions. Unionized workers are an important new constituency in affordable housing struggles. In order to foster replicability of the program, UNAC will offer free technical assistance to unions, employers, and community groups across the country.

ACCOMPLISHMENTS

* On December 1, 1988, Local 26 became the first union in the country ever to win a collectively-bargained employer contributed housing trust fund. As discussed above, legislative reform is required for the housing trust fund to become active. We are confident that the bipartisan support for this legislative amendment will pave the way for greater housing opportunities for low and moderate wage workers across the country.

Local 26 has been successful in putting the issue of the affordable housing crisis and employers responsibility in dealing with it in the national spotlight. Local 26 has been able to highlight the fact that it is becoming increasingly difficult for service workers to both live and work in the same city. While the federal government has backed away from its responsibility in the housing area, Local 26 has been able to show how the private sector, unions and businesses, can be part of the solution.

* One of Local 26's first housing initiatives was an assessment of Union housing needs. A survey was mailed out in English, Spanish, French, Portuguese and Chinese. Three quarters of the respondents were people of color. Close to one half responded to the survey in a language other than English. Over 90% of respondents were in favor of Union involvement in housing development. The survey information on members' existing housing situation and financial resources is now compiled in a comprehensive database.

* Through a \$50,000 Challenge Grant from the Executive Office of Communities and Development, Local 26 spent hundreds of hours researching and building the foundation for the housing program. We obtained the support from community organizations and identified methods of using pension funds for housing production.

* In a preview of what the Housing ACCESS program will be, many families have been assisted in applying for and navigating the process for the purchase of affordable housing including the: Buildable Lots Program, Homes At Roxbury Crossing, Baker Chocolate Mills, Main Street (Charlestown), Bricklayer-Laborers Back of the Hill, and In-Fill units.

As a result of the work done with the city's Buildable Lots Program, over 40% of all successful applicants are likely to be families identified through the housing program. It is likely that none of these applicants would have known of the opportunity, nor successfully completed the application process, had it not been for this program. With a full time staff person working on the ACCESS services portion of this proposal, residents of the communities where housing is being built will gain better access to the opportunities.

JOB DESCRIPTION

Title: Director

Responsibilities:

Direct and report the activities of UNAC to the Board of Directors. Oversee progress in achieving the goals and objectives of the program, and the establishment of a housing assistance fund. Provide periodic reports to the Board of Directors.

Specific Duties:

- Work closely with the Board of Directors in reviewing progress, planning and making policy recommendations for the program.

- Manage the budget and raise funds for the program.

- Hire, supervise and provide technical assistance to the Development Specialist, Housing ACCESS Coordinator, and Financial Specialist.

- Prepare reports and memoranda to the membership, board and funding sources.

- Maintain close affiliations and coordinate activities with Local 26, other unions, community based housing and advocacy groups, religious leaders, coalitions and national organizations involved with employment and housing.

- Negotiate with private lenders, local, state, and federal agencies, employer/e groups and others with resources to impact on the availability and cost of housing.

- Review all memoranda of understanding, financial and legal contracts for the organization.

Qualifications:

Experience in finance and/or development and service oriented programs is essential. Familiarity with public and private funding sources, labor issues, and local resources is also important. Excellent oral and written skills with demonstrated experience in financial management, administration and supervisory skills necessary.

JOB DESCRIPTION

Title: ACCESS Program - Membership Services Coordinator

Responsibilities:

Coordinate the education, counseling, referral and clearinghouse components of Local 26's Union Housing Program, with the objective of placing as many families as possible in decent, affordable housing.

Specific Duties:

- Develop, publicize and, in some cases, conduct workshops and mini-classes on a variety of housing-related issues, such as: forms of homeownership or tenure; financing; legal obligations; availability of housing subsidies and how to apply for them; credit and savings planning; finding affordable housing.
- Train and supervise four part-time bilingual housing counselors to assist members in finding, qualifying and applying for available housing.
- Establish a data base/clearinghouse of new and existing subsidized housing information to be shared with the membership.
- Maintain and expand the database of information on family's housing needs.
- Coordinate outreach efforts regarding the ACCESS program among the membership, community development corporations, public sector housing agencies, marketing and management companies, and other unions.
- Prepare reports to the administrator and membership, as needed.

Qualifications:

Prior working knowledge of city, state, and federal housing assistance programs, experience developing and implementing community outreach programs and working with people of diverse ethnic and language backgrounds, demonstrated experience in producing high quality written materials. Good oral and financial skills essential. Computer and language skills helpful.

JOB DESCRIPTION

Title: Development Specialist

Responsibilities:

Coordinate and manage all activities required in order to implement UNAC's Housing Development Program, with the objective of utilizing pension funds and other resources to finance 100 units of housing.

Specific Duties:

- Identify available development sites with priority given to city-owned parcels.
- Schedule and coordinate meetings among the various parties involved in the development process.
- Conduct financial analysis of alternative development scenarios under a wide range of financing assumptions and structures.
- Negotiate with private lenders, local, state and federal agencies, employer/e groups, and others with funds to contribute to UNAC's Housing Development Program.
- Coordinate with community leaders, community organizations, consultants, project architects, and attorneys.
- Review architectural plans and specifications at design, development, and final design stages of development.
- Work with project architect in selecting most suitable general contractor and/or construction management firm.
- Prepare narrative and financial reports to funding agencies as required.

Qualifications:

Demonstrated real estate financial analysis skills, demonstrated capacity to implement housing development projects; experience in negotiating with public and private funding and lending sources; experience in working with community-based and organized labor organizations and in managing consultants.

JOB DESCRIPTION

Title: ACCESS Program - Financial Specialist

Responsibilities:

Coordinate the financial services component of the Housing ACCESS program with the objective of developing a replicable model and method of making housing affordable to low income workers.

Specific Duties:

- Plan and implement uses of the employer-contributed Housing Trust Fund. Develop criteria for loans and grants. Provide research and technical assistance to the trustees of the fund.

- Develop and coordinate relations between the ACCESS program and local banks.

- Establish procedures by which members may obtain direct financial assistance through the Housing Trust Fund.

- Define the barriers and identify the financial needs of low income workers with financial institutions, and with city and state housing programs.

- Ensure that UNAC and employer-contributed financial assistance leverages maximum public and private resources.

- Prepare informational materials, including brochures and reports to the trustees, funders and the membership, as needed.

Qualifications:

Good research, financial and program management skills. Prior working knowledge of: city, state, and federal housing assistance programs; banks, housing finance agencies and community loan funds. Experience working with people of diverse ethnic and language backgrounds. Demonstrated experience in producing high quality written materials. Good oral and financial skills essential. Computer and language skills helpful.

BUDGET

Director	\$30,000
Development Director	\$27,500
Membership Services Coordinator (ACCESS Program)	\$27,500
Financial Specialist (ACCESS Program)	\$27,500
Support Staff	\$19,500
Housing Counselors	\$32,000
4 part-time bilingual members recruited from the membership	
Personnel Benefits	\$25,000
Evaluation	\$3,000
Legal	\$1,500
Accounting & Bookkeeping	\$2,000
Supplies	\$2,000
Telephones	\$1,000
Travel	\$1,500
TOTAL	\$200,000

CORPORATION BY-LAWS

ARTICLE I

Name and Location

The name of the corporation shall be UNION NEIGHBORHOOD ASSISTANCE CORPORATION.

The corporation shall be located in the City of Boston, the County of Suffolk, in the Commonwealth of Massachusetts.

ARTICLE II

Purpose

Section 1.

The purpose of the Corporation are as follows:

To prevent blight and deterioration in Boston and surrounding communities, especially through housing services of various kinds.

To promote Boston and surrounding communities as a good place to live, and as a balanced intercultural community.

To provide a counselling service for those seeking to purchase homes and in other ways to improve their housing situations in Boston and surrounding communities, and to especially assist those persons of low and moderate income in improving their housing situations.

To create and maintain programs for the development, purchase, renovation, ownership and sale of residential properties on behalf of persons of low and moderate income.

To create and maintain programs to assist low and moderate income persons in obtaining and maintaining rental housing.

To create, maintain and administer educational and development programs for persons of low and moderate income including English as a Second Language (E.S.L.) and basic literacy.

To provide professional assessment and referral for members with personal difficulties including drug and alcohol rehabilitation, day care, elder care, financial problems, chronic family illness and stress related problems.

To initiate, develop and administer programs and enter into contracts to provide other community-oriented services in order

to promote the social welfare and to cooperate with and supplement the efforts of other groups and individuals who are seeking to improve the quality of life of residents of Boston and surrounding communities.

Section 2.

Detailed elaboration of these purposes for specific programs may be made by special amendment as successive additions to this Article. Such Amendments shall be by 2/3 vote of the Corporation and shall not contradict or limit the above general purposes.

ARTICLE III

Powers of the Corporation

Section 1.

The corporation shall have perpetual succession in its corporate name.

Section 2.

The corporation shall have all the powers of a corporation chartered under Chapter 180 Massachusetts General Laws, including but not limited to the following:

- a. The corporation may sue and be sued.
- b. The corporation may adopt and use a corporate seal.
- c. The corporation may solicit and receive contributions from any and all sources.
- d. The corporation may make contracts in furtherance of the aforementioned purposes.
- e. The corporation may borrow money or mortgage its assets.
- f. The corporation may buy, sell, and hold real estate.

Section 3.

The corporation shall, to the extent legally permissible and only to the extent that the status of the corporation as an organization exempt under Section 501 (c) (3) of the Internal Revenue Code is not affected thereby, indemnify each of its directors, officers, employees and other agents against all liabilities and expenses, including amounts paid in satisfaction of judgments, in compromise or in fines and penalties, and counsel fees, reasonably incurred by him/her in connection with the defense or disposition of action, suit, or other proceeding, whether civil or criminal, with which he/she may be threatened, while involved in office or thereafter, by reason of his/her being or having been such a director, officer, employee or agent, except with respect to any matter as to which he/she shall have been adjudicated in any proceeding not to have acted in good

faith in the reasonable belief that his/her action was in the best interests of the corporation; provided however, that as to any matter disposed of by a compromise payment by such director, officer, employee or agent, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless such compromise shall be approved as in the best interests of the corporation, after notice that it involves such indemnification; (a) by a disinterested majority of the directors then in office; or (b) by a majority of the disinterested directors then in office, provided that there has been obtained an opinion in writing of independent legal counsel to the effect that such director, officer, employee or agent appears to have acted in good faith in the reasonable belief that his/her action was in the best interests of the corporation; or (c) by a majority of the disinterested members entitled to vote, voting as a single class. Expenses including counsel fees, reasonably incurred by any such director, officer, trustee, employee or agent in connection with the defense or disposition of such action, suit, or other proceeding may be paid from time to time by the corporation in advance of the final disposition thereof upon receipt of an undertaking by such individual to repay the amounts so paid to the corporation if he/she shall be adjudicated to be not entitled to indemnification under Massachusetts General Laws, Chapter 180, Section 6. The right of the indemnification hereby provided shall not be exclusive of or affect any other rights to which any director, officer, employee or agent may be entitled. Nothing contained herein shall affect any rights to indemnification by which corporate personnel may be entitled by contract or by law.

Section 4.

No part of the assets of the corporation and no part of any net earnings of the corporation shall be divided among or inure to the benefit of any officer or director of the corporation or any private individual or be appropriated for any purposes other than the purposes which would not threaten the status of the corporation as a corporation entitled to federal tax exemption under Section 501 (c) (3) for the Internal Revenue Code of 1954, as amended, or the corresponding provision of any future United States Internal Revenue Law, or which would threaten the status of the corporation under Massachusetts General Laws, Chapter 180, as now in force or hereinafter amended.

Section 5.

Upon the liquidation or dissolution of the corporation, after payment of the liabilities of the corporation or due provision thereof, all of the assets of the corporation shall go to tax-exempt organizations with similar purposes.

Section 6.

The Corporation may have and exercise all powers necessary or convenient to effect any and all of the purposes for which the corporation is formed; provided that no such power shall be exercised nor any activity engaged in which is in a manner inconsistent with Massachusetts General Laws, Chapter 180, as now in force or hereinafter amended, or Section 501(c)(3) of the Internal Revenue Code of 1954 as amended, or the corresponding provision of any future United States Internal Revenue Law. It is intended that this corporation shall be entitled to exemption from federal income tax under Section 501(c)(3).

ARTICLE IV.

Members of the Corporation

Section 1. Members

The membership of the Corporation shall be open to any individual 18 years or older who completes a housing information form developed and so identified by the corporation. To be eligible to vote, such individual must be a member in good standing no less than 30 days prior to the annual meeting.

Section 2. Powers and Responsibilities

Once the requirements of section one of this article are met, members shall be empowered to vote at general membership meetings of the corporation and to elect individual members to the Board of Directors.

Section 3.

The annual meeting of the Corporation shall be held within six months of the end of the fiscal year of the corporation. Notification of the time and place of the meeting shall be sent in writing to each corporation member at least forty-five (45) days prior to the meeting.

Section 4.

A special meeting of the Corporation may be called by the Chairperson of the Board. Notification of the time and place and purpose of the meeting shall be sent in writing to each member at least fourteen (14) days prior to the meeting.

ARTICLE V.

Directors of the Corporation

Section 1. Powers and Duties

The Board of Directors shall be vested with the conduct, administration and coordination of the activities, property and affairs of the Corporation, and to those ends it may exercise any and all of the powers of the Corporation. The specific powers of the Board of Directors shall include, but not be limited to, the following:

1. Appointment of the Executive Director of the Corporation.
2. Supervision of the Executive Director.
3. Determination of major personnel, fiscal and program policies.
4. Final approval of all program proposals and budgets.
5. Determination of rules and procedures for the Board.
6. Election of officers and appointments of committees of the Board.
7. Appointment of such Advisory Committee, including persons other than Directors as the Board determines necessary and appropriate.

Section 2. Number of Directors

The Board of Directors shall consist of eleven persons.

Section 3. Qualifications for Directors

All Directors shall be members of the Corporation. At each election, there shall be an attempt to keep a broad representation of ethnic/racial and community backgrounds.

Section 4. Meetings of the Board of Directors

Regular meetings of the Board of Directors shall be held monthly. The clerk shall send written notification of the meeting, stating the place and nature of the business to be conducted, to each member of the Board at least three (3) days prior to the meeting.

Special meetings for the Board of Directors may be called at any time by the Chairperson or any three (3) members of the Board acting together. Written notification of the meeting stating time, place, and, nature of business to be conducted shall be sent to each member of the Board at least three (3) days prior to the meeting.

Section 5. Quorums

The quorum for regular and special meetings of the Board shall be fifty (50) percent of the total membership of the Board.

Section 6. Majority Vote Required

Any business to be transacted or action to be taken by the Board of Directors, except a change in the By-laws and except as herein specifically provided, may be accomplished by a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Only votes cast in person by Directors present and entitled to vote shall be counted.

Section 7. Operating Procedures.

The order of business for each meeting of the Board of Directors shall be as follows (unless otherwise voted by the Board):

- a. call to order.
- b. minutes of previous meetings.
- c. treasurers report.
- d. executive director's report.
- e. committee reports.
- f. unfinished business.
- g. new business.
- h. date and location of next meeting and adjournment.

The authority for parliamentary procedure at all meetings shall be Roberts' Rules of Order, Revised.

Section 8. Transaction of Business Without Meeting

Any Corporate action which can be authorized at a regularly constituted Meeting of the Board of Directors or a Committee thereof may be authorized without such a Meeting, provided that all of the Directors or all of the members of a Committee thereof as the case may be, consent to such action before or after the time such action is taken and the number of such Directors or members constitutes a quorum for such action. The Secretary of the Corporation shall record such consents in the Minutes of the Meeting of the Board of Directors.

ARTICLE VI

Selection and Election of Officers and Directors

Section 1. Time and Method of Selection

All eleven members of the Board shall be elected by the membership of the Corporation. Candidates for the Board must submit their name in writing to the Corporation no later than thirty (30) days prior to the annual meeting. A minimum of three members of the Board will be members of the Hotel Employees

Restaurant Employees International Union AFL-CIO Local 26, and at least three will not be Local 26 members. The Board shall establish an election procedure which shall guarantee such diversity of representation. The election of the Board by the members shall be staggered as provided in Section 2 hereinafter.

The founding members of the Board shall serve until the first Annual Meeting of the Corporation at which time a new Board will be elected.

Section 2. Term of Office

Members of the Board of Directors elected by the membership shall serve for a term of two (2) years, except that six of the first eleven elected Directors, which six shall be designated by the membership, shall serve for a term of one (1) year. Expirations shall be staggered in such a way to insure continued satisfaction of the requirements of section 1 of this article. Thereafter each year there shall be an election of Directors to fill the expiring terms of Directors. The term of elected members shall begin with the adjournment of the Annual Meeting at which the election occurs and end with the adjournment of the Annual Meeting two years later, except that members shall serve until their successors are chosen and qualified, unless they cease to be members for other reasons provided for in these By-Laws.

Section 3. Non-attendance at Board Meetings

Individual members who miss three consecutive regular meetings will be assumed as having resigned unless formal Board action is taken to the contrary.

Section 5. Vacancies

In the event that the seat of any member of the Board of Directors is vacated it may be filled by the Board of Directors until the next annual meeting at which time the Corporation will vote to fill the unexpired term. The same election procedures apply as for regular elections.

ARTICLE VII

Section 1. Committees

The chairperson or the Board by majority vote may appoint permanent or temporary committees as needed. These committees may include persons not on the Board of Directors.

ARTICLE VIII

Officers of the Corporation

Section 1. Number of Officers

The officers of the Board of Directors shall be the officers of the Corporation. They shall consist of the Chairperson, Vice Chairperson, Treasurer, and Clerk. Administrative officers shall be designated by the Board of Directors as appropriate to the functioning of the Corporation.

Section 2. Duties of the Chairperson

The Chairperson shall be empowered to sign on behalf of the Corporation all deeds, contracts, and other formal instruments and no party shall look to any further authority of the said Chairperson to bind the Corporation. The Board may in particular instances by vote delegate to other parties, authority to sign such deeds, contracts and formal instruments.

Section 3. Duties of the Vice Chairperson

The Vice Chairperson shall, during the absence of the Chairperson, or his/her inability to act, have and exercise all his/her powers and duties. In addition, exercise all powers and duties as may from time to time be assigned to him/her by the Board of Directors or the Chairperson.

Section 4. Duties of the Treasurer

The Treasurer shall have charge of all financial papers and records of the Corporation, and shall have responsibility for the funds of the Corporation, and for keeping full and accurate accounts and records of all receipts and disbursements of the Corporation. All such papers, records and accounts shall be kept at the principal place of business of the Corporation. The Treasurer shall present an audited balance sheet of the financial condition of the Corporation at least once during every twelve month period and a statement of receipts and disbursements for each month shall be available for each meeting of the Board and shall be kept on file at the principal office of the Corporation as required by law.

Section 5. Duties of the Clerk

The Clerk shall keep the minutes of all meetings of the Board of Directors together with a record of attendance and a record of the names and addresses of each of the Directors of the Corporation. All such books shall be kept at the principal place of business of the Corporation.

Section 6. Election and Term of Office

Officers shall be elected annually by the Board of Directors. The term of office of the Officers shall begin with the results of the election. Each shall hold office for one year except that they shall continue until the successors of each respective office holder takes office. No person may hold two offices concurrently. Any officer may be removed by the Board of Directors at any time with a stated cause and with a hearing before the Board of Directors. In the event that the office of Chairperson, Vice Chairperson, Treasurer, or Clerk become vacant, the Board of Directors shall elect a Director to fill the vacant office until the next election.

Section 7, Executive Committee

The Executive Officers shall comprise the Executive Committee. The Chairperson of the Board shall be the Chairperson of the Executive Committee. The Executive Committee shall be empowered to:

- a. serve as liaison between staff and Board.
- b. handle board level decisions of minor nature.
- c. handle board level emergency decisions.
- d. discuss broader policy decisions and make recommendations to the Board.
- e. hire the executive director.

All decisions made by the Executive Committee are subject to review at the following meeting of the Board of Directors.

ARTICLE IX

Executive Director

The Executive Director works closely with the Board in reviewing progress, planning, and in making policy recommendations for the program. The director shall have authority to control day to day operations of the Corporation and in between Board meetings shall have full authority to implement the policy and decisions of the Board. The director shall have the following additional powers: hire, discipline, and supervise all staff; spend up to \$500 without Board authorization.

ARTICLE X

Non-Discrimination and Civil Rights Assurances

It shall be the policy of the Corporation that no person, on grounds of race, color, creed, sex, handicap, sexual preference, or national origin shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program to which this corporation applies. Consideration of race, color, sexual preference or national origin shall not influence the conduct and administration of any aspect of the Program.

ARTICLE XI

Amendments of By-Laws

The Board of Directors, by a two-thirds vote of the Directors, may amend these by-laws, providing a notice of the proposed changes in said By-Laws, furnished to the Clerk of the Corporation twenty (20) days before the date of the said meeting. The Clerk shall, therefore, and in no event later than ten (10) days from the date of receiving the information, and a copy of said notice of proposed changes to each Director at the address shown in the records.

ARTICLE X11

Distribution of Assets

Section 1.

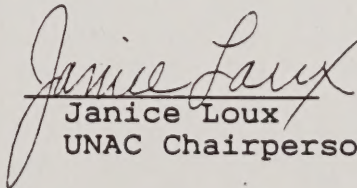
No part of the income, or of the assets of the Corporation shall ever be distributed to its Officers or Directors; provided, that nothing herein shall restrict the right of the Corporation to reasonably compensate its Officers and Directors or any of them, for services rendered to the Corporation.

ARTICLE X111

Liquidation of the Corporation

If in the opinion of a majority of the Board of Directors, it becomes necessary or desirable to dissolve the Corporation, such dissolution shall be in accordance with Chapter 180, Section 11A of the Massachusetts General Laws.

By-Laws Adopted November 1, 1988 and amended January 23, 1989.


Janice Loux
UNAC Chairperson

UNION NEIGHBORHOOD ASSISTANCE CORPORATION

BOARD OF DIRECTORS

Janice Loux; 96 Draper St.; Dorchester 02122
Gerald St. Louis; 148 Draper St. #2; Dorchester 02122
Richard Aliferis; 46 West Neptune St.; Lynn 01905
Wilfrido C. Soltysik-Espanola; 240 Heath St. #204; Boston 02130
Gia Casale; 40 St. Botolph St. #27B; Boston 02116
Joau Montario; 98 Hancock St.; Dorchester
Percey Stallworth; 412 Bryant St.; Malden 02148
Marissa Landrau-Pirazzi; 71 Gainsborough St.; Boston 02115

MEMORANDUM

APRIL 6, 1989

TO: BOSTON REDEVELOPMENT AUTHORITY AND STEPHEN COYLE,
DIRECTOR

FROM: PETER DREIER, DIRECTOR OF HOUSING

RE: REQUEST FOR APPROVAL FOR THE DIRECTOR TO ENTER INTO A CONTRACT FOR \$25,000 IN FISCAL YEAR 1989, AND \$25,000 IN FISCAL YEAR 1990, WITH LOCAL 26 OF THE HOTEL EMPLOYEES RESTAURANT EMPLOYEES INTERNATIONAL UNION TO PROVIDE OPERATING FUNDS FOR THE "UNION NEIGHBORHOOD ASSISTANCE CORPORATION," A NON-PROFIT ENTITY WHICH WILL ENGAGE IN THE DEVELOPMENT OF AFFORDABLE HOUSING AND PROVIDE CONSUMER-ORIENTED SERVICES TO HELP LOW- AND MODERATE-INCOME RESIDENTS, INCLUDING UNION MEMBERS, GAIN ACCESS TO AFFORDABLE HOUSING.

SUMMARY: THIS MEMORANDUM REQUESTS THAT THE BRA AUTHORIZE THE DIRECTOR TO ENTER INTO A CONTRACT, NOT TO EXCEED \$25,000 IN FY 1989, AND NOT EXCEED \$25,000 IN FY 1990, WITH LOCAL 26 OF THE HOTEL EMPLOYEES RESTAURANT EMPLOYEES INTERNATIONAL UNION TO ASSIST IN THE CREATION OF A "UNION NEIGHBORHOOD ASSISTANCE CORPORATION," A NON-PROFIT ENTITY WHICH WILL ENGAGE IN THE DEVELOPMENT OF AFFORDABLE HOUSING AND PROVIDE CONSUMER-ORIENTED SERVICES TO HELP LOW- AND MODERATE-INCOME RESIDENTS, INCLUDING UNION MEMBERS, GAIN ACCESS TO AFFORDABLE HOUSING. THE INITIAL \$25,000 IS FOR START-UP FUNDS. THE OTHER \$25,000 WILL BE PROVIDED UPON DEMONSTRATION OF U.N.A.C.'S SUBSTANTIAL PROGRESS TOWARD ITS DEVELOPMENT AND CONSUMER ASSISTANCE GOALS.

Local 26 of the Hotel Employees Restaurant Employees International Union represents approximately 5,000 hotel and restaurant workers. The membership represents a diverse population -- 55 percent are women and 60 percent are people of color. Ninety percent are renters. According to the union, the median family income for hotel workers' households is approximately \$22,000, which includes families with multiple earners. In a recent survey of its membership, Local 26 found that 75 percent of respondents have housing problems, including overcrowding, substandard conditions, and a high rent-to-income ratio.

For several years, Local 26 has sought to help its members deal with their housing problems. Union staff, members, and volunteers have helped members get inspections and repairs made on apartments that violate state sanitary code standards, apply for a variety of government affordable housing developments and programs, and advocate for improved city and state housing policies. The union has worked with the City of Boston and the BRA in helping members apply, and secure mortgages, for affordable housing developments in several neighborhoods. Last December, Local 26 won a collective bargaining contract that included an employer-contributed "housing

trust fund." Under this agreement -- the first of its kind in the country -- the hotel employers will contribute to a housing trust fund, which will be used by the union to provide various forms of housing assistance for its members. Based on this experience, Local 26 intends to institutionalize their housing efforts by creating a Union Neighborhood Assistance Corporation (UNAC). This non-profit entity will have two components -- a housing development program and a consumer assistance program.

Through the housing development program, UNAC will undertake to construct affordable housing in Boston, similar to the efforts of Community Development Corporations, the Bricklayers and Labors Non-profit Housing Corporation, Boston Aging Concerns, Neighborhood Housing Services, and other non-profit groups. UNAC will utilize a variety of private resources as part of its housing development plan, including Local 26 pension funds, International Union pension funds, and financing from Consumers United Insurance Company.

Through the consumer assistance program, UNAC will help union members and others find affordable housing. Local 26 calls this program the Housing Assistance, Counselling, and Credit Service - - or Housing ACCESS. This program will include counseling, education and referral services, as well as financial assistance (through the employer-contributed "housing trust fund.") The financial services will include help with first and last month's rent and security deposits, emergency rental assistance, cooperative share loans, and downpayment and closing cost assistance. UNAC will hold workshops and classes for union members regarding home financing, types of housing subsidies and how to apply for them, credit counseling, and similar efforts. In view of the union's membership, these services will be provided in several languages.

Although considerable funds have been committed by the union and employers, none of these funds can be used for administrative purposes. Local 26's proposal calls for a \$200,000 annual operating budget for UNAC, primarily for four full-time staffpersons (at salaries ranging from \$25,000 to \$28,000) and several part-time staffpersons. Local 26 expects to raise these operating funds from a variety of public and private sources. Local 26 is seeking \$50,000 from the BRA to cover part of these operating funds.

A copy of Local 26's complete UNAC proposal as well as its proposed budget is attached.

Local 26 has demonstrated a strong commitment to meeting the variety of needs faced by its diverse membership as well as other low- and moderate-income Boston residents. The union's UNAC proposal has the potential to become a national model for unions in helping meet the housing needs of low-wage workers in a high-housing cost area. In light of the federal government's cutback in housing assistance, efforts by employers and labor unions to deal with the housing problems of their employees and members

should be encouraged.

An appropriate vote follows:

VOTED: That the BRA hereby authorize the Director to enter into a contract, not to exceed \$25,000 in fiscal year 1989 and not to exceed an additional \$25,000 in fiscal year 1990, with Local 26 of the Hotel Employees Restaurant Employees International Union, to provide operating funds for the Union Neighborhood Assistance Corporation, a non-profit entity that will engage in housing development and consumer assistance programs on behalf of low-income and moderate-income residents, including union members. The initial \$25,000 is for U.N.A.C.'s start-up costs; the other \$25,000 will be provided upon demonstration of substantial progress toward U.N.A.C.'s development and consumer assistance goals.